Presentation Delivered by Fred Felton at City Council Meeting of July 17, 2006

Paragraph 1

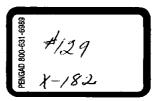
- (a) Property to be zoned MXD and sketch plan approved concurrently.
- (b) Total density of 2,250 residential units and 320,000 sf. of commercial/retail as outlined in chart below.

Residential Development (Total Density Cap 2,250, including Moderately Priced Dwelling Units and Workforce Housing Units*)				
	Pod 1	Pod 2	Pod 3	Pod 5
Permitted Range	820-867	310-325	280-290	768-1,010
Single-Family Dwellings	0-6	59-98	95-131	0
Townhouses	70-80	155-228	126-162	0
2-over-2 Dwellings	20-30	31-65	28-44	0
Multi-Family Dwellings	740-750	0	0	768-1,010
Commercial/Retail Density	300,000 sf	0	0	20,000 sf

* Pursuant to Paragraph 1(c)(i) below, at maximum development density (2,250 dwelling units), 281 Moderately Priced Dwelling Units would be included (final number to be determined based on final development density). Based on the ranges provided in the chart for Pods 1, 2 and 3, 46 to 54 Workforce Housing Units would be included, however, the final number of Workforce Housing Units included is subject to adjustment based upon final density and unit types provided in accordance with this Paragraph 1.

12.5% of the dwellings will be MPDUs. MPDUs will be administered under Montgomery County criteria; however, people working or currently renting in the City of Gaithersburg can get preference. MPDUs will be generally evenly dispersed throughout the development and will have the same general exterior materials and architecture.

In addition to the 12.5% MPDUs, the agreement calls for 4% of the townhouses and two-over two units in PODS 2 and 3 and 4% of the total density in POD1 to be workforce housing units. Depending on ultimate density, this will be a range of 46 to 54 workforce housing units. These units will be administered under criteria to be developed by the City.



Paragraph 2

The developer will dedicate 4.2 acres of land for the Corridor Cities Transitway (CCT) alignment and the transit station. The alignment is proposed to be in the median of Fields Road or abutting Fields Road. We have been working very closely with representatives of the Maryland Transit Administration and have received positive feedback.

The developer is obligated to construct 250 parking spaces for the CCT in POD 1. If these parking spaces are constructed prior to the commencement of CCT operations, the City or the County may operate a Park and Ride facility. With concurrence of the County Council, the City may accept a \$3 million payment in lieu of constructing parking spaces if so desired by the Maryland Transit Administration.

Paragraph 3

The developer is required to construct all on-site roads in accordance with the road profiles in exhibit F. Staff is very pleased with the road profiles which generally provide for on-street parking, a planting strip, hiker/biker trail, and sidewalk. Even the private alleys will have curb and gutter. These profiles require a road code waiver which the annexation agreement obligates the City to approve.

Paragraph 4

Based on a detailed traffic analysis reviewed by staff in consultation with both Park and Planning staff and DPWT staff, it has been determined that 11 off-site road improvements must be implemented to meet the City's goal of Critical Lane Volumes not exceeding 1450 CLV. I would note that the methodology generally applied to the traffic analysis followed the Planning Board's Local Area Review process; however, the test was made more restrictive by requiring the developer count significantly more background traffic than Local Area Review required.

The timing of the developer funded off-site road improvements will be determined at SDP. The developer will be required to post bond for each improvement if the approving authority (the County or State) for a period of five years. If the County or State does not approve a permit for a given

improvement, the developer will pay the City the cost of the improvement and the City can use the funds for any other traffic or transit improvement.

Paragraph 5

Simply notes that Fields Road is owned by Montgomery County, and that the County's consent is required for modifications. If a mutually acceptable agreement is reached with Montgomery County, the City may assume ownership and responsibility for the road.

Paragraph 5 also requires that a traffic signal warrant study be submitted with the initial SDP to determine if a traffic signal rather than a traffic circle is appropriate at the intersection of Fields Road and Decoverly Drive.

Paragraph 6

Paragraph 6 places certain restrictions on the design guidelines for the community that will be approved at SDP. The design guidelines will require a minimum of 8-foot separation between homes, and prohibit vinyl siding or similar materials.

Paragraph 6 also acknowledges that construction of the proposed development will require waivers of the City's environmental standards to accommodate two water and sewer crossing within the Stream Valley buffer, three storm water management outfalls in the Stream Valley buffer and the potential conversion of the Farm Pond currently in the buffer to a SWM facility. The agreement obligates the City to approve waivers as generally shown on exhibit I subject to the following:

- (1) Submission of all customary engineering details and a formal waiver application that demonstrates the encroachments are the minimum necessary to accommodate the Permitted Development and satisfy the waiver criteria as outlined in Section 38 of the City Environmental Standards for Development Regulation;
- (2) Crown Village obtaining all necessary approvals, permits, or waivers from Montgomery County, Maryland Department of Environment, Natural Resources Conservation Services, and the U.S. Army Corps of Engineers; and

(3) As mitigation, Crown Village paying a fee of \$1.00 per square foot of encroachment into the stream valley buffer, at a rate of 1.5 to 1.0, to be used by Gaithersburg to enhance stream quality at a location to be determined off-site within the Muddy Branch Watershed.

Paragraph 7

This paragraph addresses technical issues associated with the SDP submission. At this point it appears the initial SDP submission will be infrastructure only for PODs 1, 4, 5 and 6. PODs 2 and 3 will be started first, and the remaining PODs will have to go back to the Council for future SDP approval.

Paragraph 8

This paragraph places some substantial design requirements for the community above and beyond existing code requirements. The HOA Clubhouse is required to obtain LEED certification from the US Green Building Council. 40% of the commercial/retail development in POD 1 must be certified by a LEED credited professional as likely to yield 20 points on the LEED rating system. Finally, all the builder installed kitchen appliances and washers and dryers throughout the community are required to meet or exceed the current standards for Energy Star rated appliances.

Paragraph 9

This paragraph requires donation of a 32.1 acre high school site. The agreement requires the developer to convey the school site to the City upon recordation of the initial subdivision plat; however, an easement and maintenance agreement will be executed to stage and stockpile material for a period of 7 years or until such time as the school system is ready to construct school—whichever is sooner. In the event MCPS does not move forward with the construction of a high school within 20 years, the City may use the land for a public recreational amenity.

Paragraph 10

This paragraph requires the dedication of a five acre park to the City. Two acres will be graded as usable open space the remaining three acres will be reforested.

The developer is required to preserve and improve the existing farmhouse and the associated tenant log house. Once renovated, an historic easement will placed on the property and the house will be sold as a historically designated single-family residential home.

Paragraph 11

Indicates no dedication of land or contributions of funds not covered in this agreement can be required by the City.

Paragraph 12

Addresses a requirement for the City to grant storm drain, water and sewer, and other utility easements through City property as long as such easements have no adverse material impact on the City's property.

Paragraph 13

Is a finding of adequacy of water and sewer service and indicates the City will ask the County and the State the 10 year water and sewer plan to designate this property as W-3 and S-3.

Paragraph 14

Requires the developer to implement a shuttle bus program similar to the one operating at King Farm. While the cost of operating the shuttle bus will shift from the developer to the Homeowners association over time as the community is built out, the agreement requires that it operate for a period of 25 years or until such time as the CCT is in operation. The developer's total contribution to the shuttle bus service will be \$2 million.

Paragraph 15

As required by the County Council's approval of the annexation, the developer must contribute \$2 million to the Montgomery County Agricultural Land Preservation Easement Fund. This payment is made in lieu of the County's requirement to purchase transfer of development rights.

Paragraph 16

This paragraph requires a \$5 million contribution to the City for a regional recreational facility. Payment must be made by July 1, 2007 as long as the final site plan for POD 2 and 3 have been approved by that date.

Paragraph 17

Requires a \$150,000 commitment for public art in POD 1 in conjunction with the City's Art in Public Places Committee. Additionally, the developer must work with staff on public art in PODs 2 and 3 not exceed \$50,000.

Paragraph 18

Requires \$30,000 for bus shelters and \$200,000 for off-site sidewalk. We believe a good pedestrian connection from the transit station to the employment base at Washingtonian Center is critical.

Paragraph 19

Addresses phasing of the project. Under the agreement, the developer will be limited to a total of 225 building permits per year in PODs 1, 2, and 3 which would permit a six to seven year build out. The multi-family dwellings in POD 5 could be developed three years after the effective date of this agreement

Paragraph 20

This paragraph commits the City in supporting the developers request to receive impact tax credits for various transportation improvements.

Paragraph 21

This paragraph accepts MCPS's findings, that pursuant to the current Montgomery County Annual Growth Policy, the schools are adequate to support the student generation for this development, and agrees that Gaithersburg will not further consider the adequacy of schools to support this development for a period of 20 years.

The Remaining Paragraphs

The remaining paragraphs in the draft agreements are the routine legal language so I will only address them if anyone has questions. At this point, I would be pleased to answer any questions you will have.